

RCVD JAN 24 '08

OIL CONS. DIV.

DIST. 3

Form 3160-3
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTBureau of Land Management
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

1a Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. SF-079360 SF-079860	
1b Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2 Name of Operator Chevron Midcontinent L P		7 If Unit or CA Agreement, Name and No Rincon Unit NMNM 78406D	
3a Address P O Box 36366 Houston, TX 77236		8 Lease Name and Well No Rincon Unit 507	
3b. Phone No. (include area code) 281-561-4859		9. API Well No 30456 30-039-29648	
4 Location of well (Report location clearly and in accordance with any State requirements *) At surface 330' FNL 2455' FEL Lat 36 34'00 8"N Long. 107.32'42 2"W At proposed prod zone		10 Field and Pool, or Exploratory Blanco MV & Basin Dakota	
14 Distance in miles and direction from the nearest town or post office* 23 Miles Southeast of Blanco, NM		11 Sec, T, R, M, or Blk. and Survey or Area B Sec. 23 T27N R7W	
15 Distance from proposed* location to nearest property or lease line, ft. 330' (Also to nearest drlg unit line, if any)		12 County or Parish Rio Arriba	
16 No of acres in lease 2645.09 800.00		13 State New Mexico	
17 Spacing Unit dedicated to this well MV = N/2 - 320 DK = N/2 - 320		18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1649'	
19 Proposed Depth 7700'		20 BLM/ BIA Bond No. on file NM 2881	
21 Elevations (Show whether DF RT, GR, etc) 6661'		22 Approximate date work will start* 6/1/2008	
23 Estimated duration 30 days		24 Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- Well plat certified by a registered surveyor
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by existing bond on file(see item 20 above)
- Operator certification
- Such other site specific information and/ or plans as may be required by the a authorized officer

25 Signature <i>Pamela Rainey</i>	Name (Printed/ Typed) Pamela Rainey	Date 12/20/2007
Title Regulatory Specialist	BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS	
Approved By (Signature) <i>[Signature]</i>	Name (Printed/ Typed) AFM	1/23/08
Title AFM	Office PFO	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

* (Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS.

PRIORITY CASING & CEMENT
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".
FEB 25 2008

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RCVD FEB 25 '08

AMENDED REPORT

OIL CONS. DIV.

DIST. 3

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30456	² Pool Code 72319/71599	³ Pool Name BLANCO MESAVERDE/BASIN DAKOTA
⁴ Property Code 26629 302737	⁵ Property Name RINCON UNIT	⁶ Well Number 507
⁷ GRID No. 241333	⁸ Operator Name CHEVRON MIDCONTINENT L.P.	⁹ Elevation 6661'

¹⁰ Surface Location

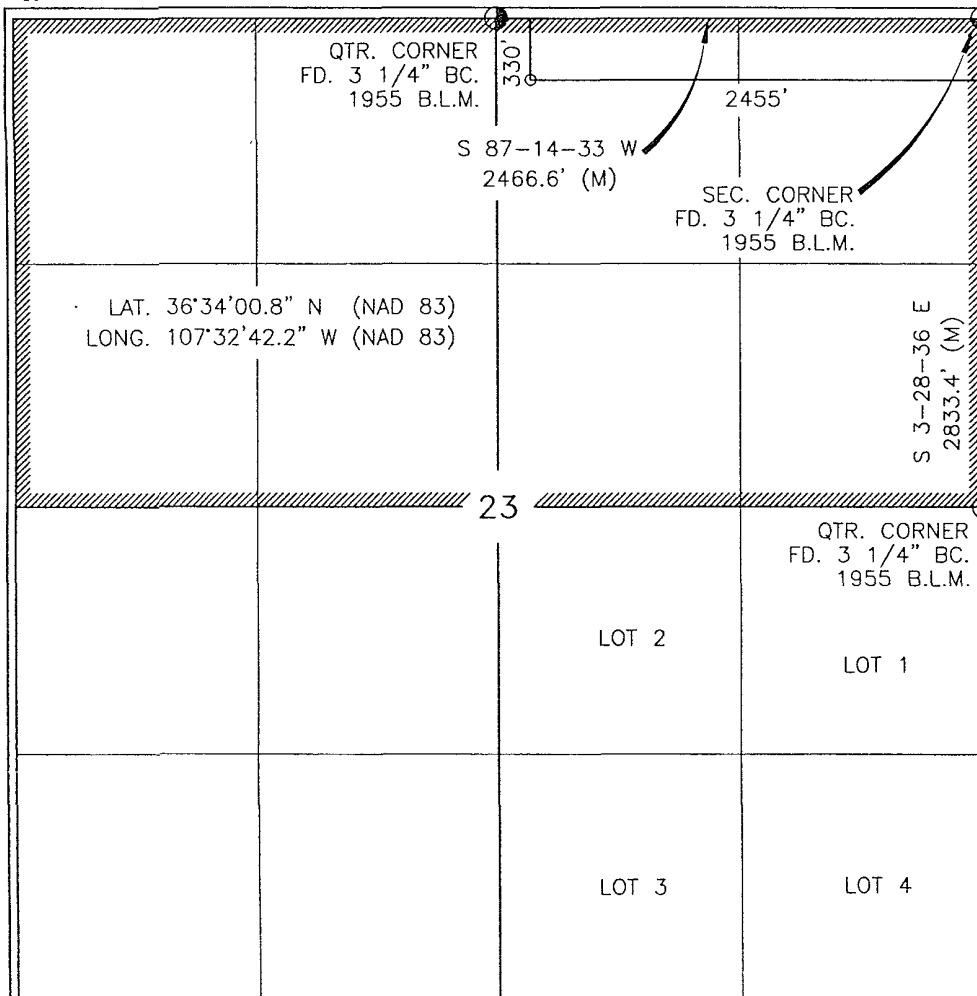
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	23	27-N	7-W		330	NORTH	2455	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320 N/2			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Pamela Rainey
Signature

Pamela Rainey 2/20/08
Printed Name Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor:

[Signature]
8884
02-08-08
Certificate Number

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-039-30450
5. Indicate Type of Lease: FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. FEDERAL: SF 079360
7. Lease Name or Unit Agreement Name RINCON UNIT
8. Well Number: #507
9. OGRID Number: 189071
10. Pool name or Wildcat Blanco MV & Basin DK

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator PURE RESOURCES LP	
3. Address of Operator: c/o Agent, Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401 505-327-4573	
4. Well Location Unit Letter B : 330 feet from the North line and 2455 feet from the East line Section 23 Township 27N Range 7W NMPM Rio Arriba County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6661' GL	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'	
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls ; Construction Material	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Register Drilling Pit ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

We intend to drill a new MV/DK well. The drilling pit will be built and lined according to our general pit guidelines on file at the NMOCD in Aztec, NM.

When the drilling pit is closed, it will be closed as per our general pit closing guidelines on file at the NMOCD.

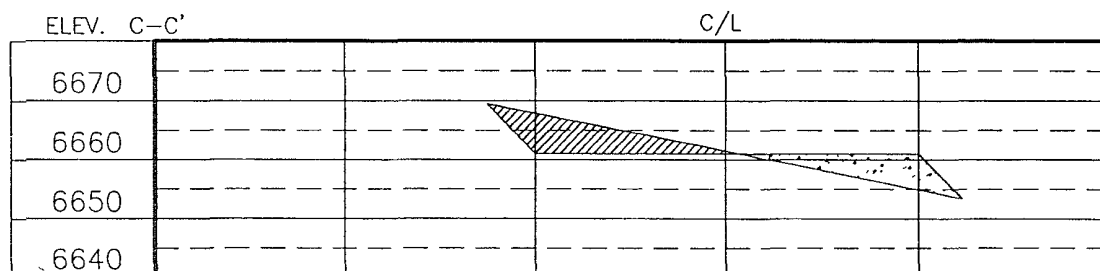
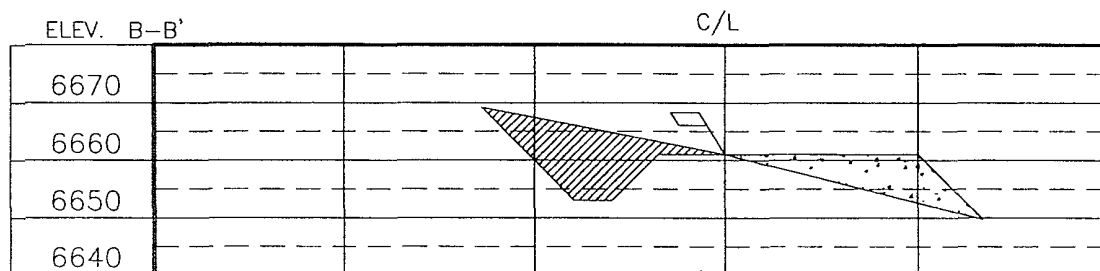
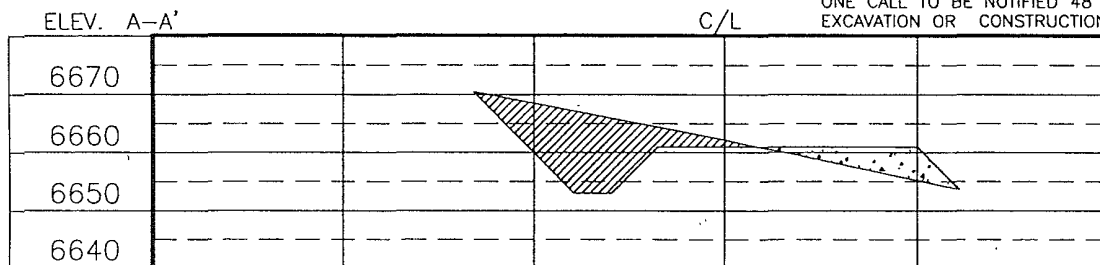
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.


SIGNATURE Mike Pippin TITLE Agent, Petroleum Engineer DATE 9/3/05
Type or print name Mike Pippin E-mail address: mpippin@ddbroadband.net Telephone No.: 505-327-4573
For State Use Only
APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector,
Conditions of Approval (if any): District #3 DATE 1 FEB 25 2008

The site plan shows a rectangular property of 2.98 acres (325' x 400'). The plan is divided into several sections and features:

- Construction Zone:** Located at the top of the property, measuring 225' x 300'.
- Wellheads:**
 - Wellhead to Back:** Located on the left side, measuring 160'.
 - Wellhead to Front:** Located on the right side, measuring 140'.
 - Wellhead to side:** Located in the center, measuring 125'.
- Access:** A new access point is shown on the left side, measuring ± 1189 FT.
- Boundaries and Distances:**
 - Top boundary: 225' x 300'.
 - Bottom boundary: 325' x 400'.
 - Left boundary: 100' (top) and 125' (bottom).
 - Right boundary: 100' (top) and 125' (bottom).
- Other Features:**
 - LAYDOWN N 18°12' E:** A line segment connecting the Wellhead to Back and Wellhead to Front.
 - NEW ACCESS ± 1189 FT.:** A line segment connecting the Wellhead to Back and Wellhead to Front.
 - Wellhead to side:** A line segment connecting the Wellhead to Back and Wellhead to Front.

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

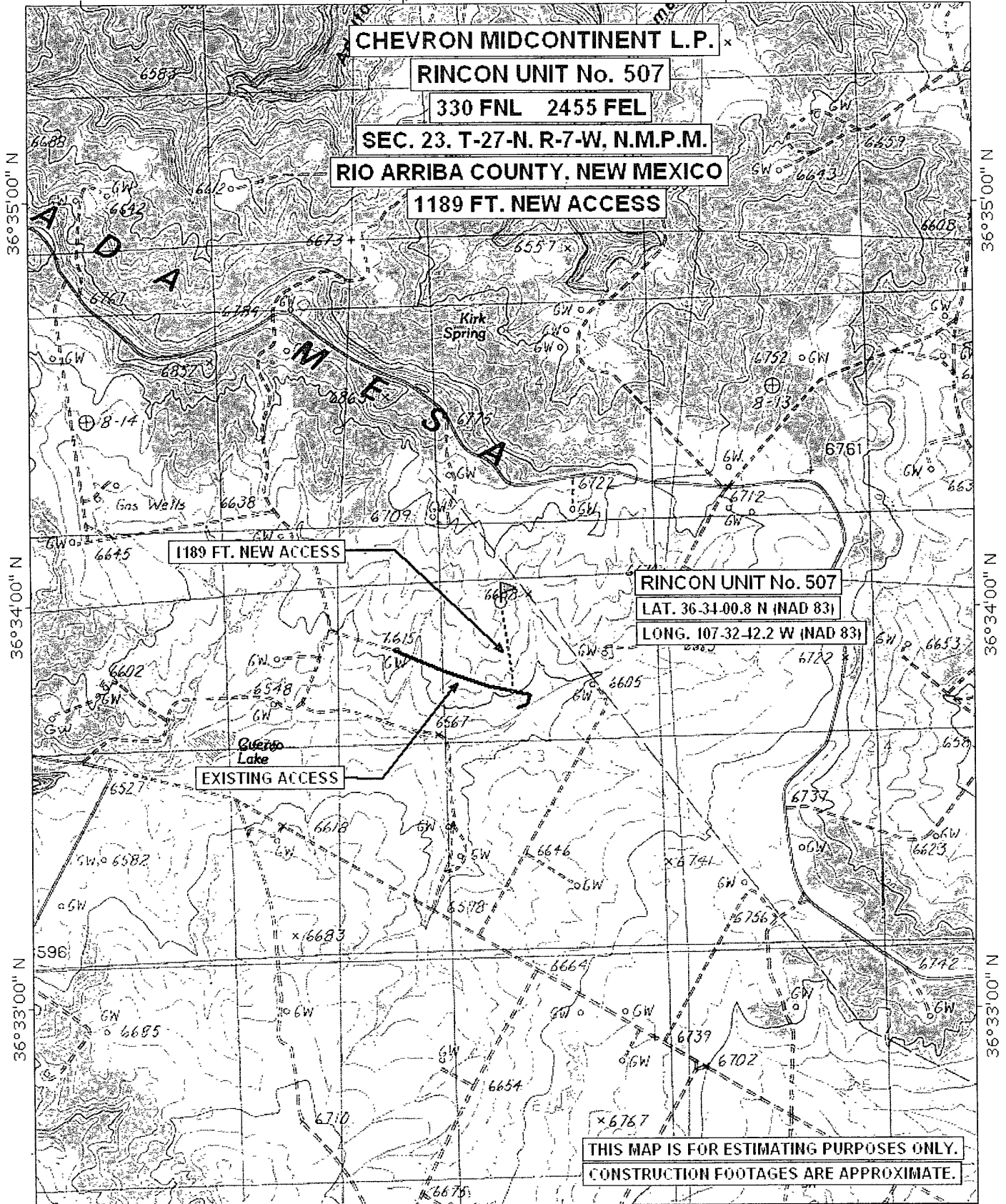


REVISION- OPERATOR NAME CHANGE	DATE- 2/04/08	REVISED BY G.V.
		
<p align="center"> Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 510 • Farmington, NM 87499 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 8894 </p>		
DRAWN BY: G.V.	CADFILE: PR109_CFB	DATE: 07/22/05
ROW#: PR109		

107°34'00" W

107°33'00" W

WGS84 107°32'00" W



36°35'00" N

36°35'00" N

36°34'00" N

36°34'00" N

36°33'00" N

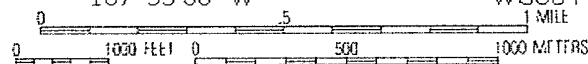
36°33'00" N

107°34'00" W

107°33'00" W

WGS84 107°32'00" W

TN MN
10%



PURE RESOURCES LP
RINCON UNIT #507 MV/DK
330' FNL, 2455' FEL
Unit B Sec. 23 T27N R07W
Rio Arriba County, NM

Drilling Program

1. **ESTIMATED FORMATION TOPS: (KB)**

<u>Formation Name</u>	<u>Depth</u>
San Jose	Surface
Ojo Alamo	2436'
Kirtland	2523'
Fruitland	2875'
Pictured Cliffs	3094'
Cliffhouse	4795'
Menefee	4869'
Point Lookout	5366'
Greenhorn	7271'
Graneros	7359'
Dakota	7496'
Intermediate TD (7")	2800'
TD (4-1/2")	7700'

2. **NOTABLE ZONES**

Gas or Oil Zones

Fruitland
Pictured Cliffs

Cliffhouse
Menefee
Point Lookout
Dakota

Water Zones

Ojo Alamo
Kirtland

Coal Zone

Fruitland

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the engineer's recommendations.

PURE RESOURCES LP
RINCON UNIT #507 MV/DK
330' FNL, 2455' FEL
Unit B Sec. 23 T27N R07W
Rio Arriba County, NM

3. PRESSURE CONTROL: (See Page 5)

Maximum expected pressure is ~2700 psi. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 11" 3,000 psi model is on page #5.

BOP equipment and all accessories will meet or exceed BLM requirements in 43 CFR Part 3160 for a 3000 psi system. A 3000 psi double ram hydraulic BOP will be used. Accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill, kill, and choke manifold lines will be 2". Accessories will include upper and lower Kelly cocks with handles, stabbing valve to fit drill pipe on floor at all times, string float at bit, 3000 psi choke manifold with 2" adjustable and 2" positive chokes, and pressure gauge. BOPs will be tested every 24 hours. Tests will be recorded on IADC log.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>GL Setting Depth</u>
12-1/4"	9-5/8"	32.3#	H-40	New	ST&C	350'
8-3/4"	7"	20#	K-55	New	ST&C	2800'
6-1/4"	4-1/2"	11.6#	I-80	New	ST&C LT	7700'

Surface casing will be cemented to the surface with ~220 cu. ft. (~158 sx) Type III cmt or equivalent (1.39 ft³/sx yield, 14.6 ppg, & 6.7 gps) with 2% CaCl₂ and 1/4#/sx celloflake. Volume based on 100% excess. We plan to run a minimum of at least 3 centralizers. A wooden wiper plug will be displaced to within 20' of the shoe. WOC = 12 hours. Surface casing will be tested to 500 psi for 30 minutes.

Intermediate casing will be cemented to surface with a single stage. Total cement = 610 cu. ft. (317 sx). Volumes are calculated at 45% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. WOC = 12 hours. Test to 1000 psi for 30 minutes.

Lead cement will be ~499 cu. ft. (~236 sx) Premium Lite w/2% CaCl₂, 1/4#/sx cello flake, 6-1/4#/sx gilsonite, 8% gel mixed at 11.0 gps, 12.1 ppg for a yield of 2.11 cu. ft. per sx.

Tail cement will be ~111 cu. ft. (~80 sx) Type III w/2% CaCl₂, 1/4#/sx Cello flake mixed at 6.7 gps, 14.6 ppg for a yield of 1.39 cu. ft. per sx.

Cementing equipment will include a guide shoe, and autofill float collar will be run 20' off bottom. We plan on running at least 10 centralizers.

Production casing will be cemented to surface ensuring cement coverage inside the intermediate casing with a single stage. Total cement = 1204 cu. ft. (581 sx). Volumes

PURE RESOURCES LP
RINCON UNIT #507 MV/DK
330' FNL, 2455' F&L
Unit B Sec. 23 T27N R07W
Rio Arriba County, NM

are calculated at 45% excess. If necessary, a CBL will be run during completion operations to insure cement coverage inside the 7" intermediate casing. Casing will be pressure tested to 6000 psi for 30 minutes during completion operations.

Lead cement will be ~201 cu. ft. (~85 sx) Premium Lite High Strength FM w/0.3% R-3, 2% KCl, 1/4#/sx Cello flake, 0.3% CD-32, 5#/sx Pheno Seal, 1% FL-52, mixed at 12.7 gps, 11.9 ppg for a yield of 2.37 cu. ft. per sx.

Tail cement will be ~1003 cu. ft. (~496 sx) Premium Lite High Strength FM w/0.3% R-3, 2% KCl, 1/4#/sx Cello flake, 0.3% CD-32, 5#/sx Pheno Seal, 1% FL-52, mixed at 10.1 gps, 12.5 ppg for a yield of 2.02 cu. ft. per sx.

Cementing equipment will include a guide shoe, and autofill float collar will be run 20' off bottom with a centralized shoe joint and next five joints. Centralizers will be run across the producing zones.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>Wt./ppg.</u>	<u>Vis.</u>	<u>Fluid Loss</u>	<u>PH</u>
0'-350'	FW gel/lime spud mud	8.4-8.7	30-50	NC	10
350'-2800'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5
2800'-7700'	Air &/or Air/mist	N/A	N/A	N/A	N/A

Lost circulation and absorption material will be on location.

6. CORING, TESTING, & LOGGING

No cores, drill stem tests, or open hole logs are planned. A cased hole TDT log will be run from TD through the top of the Mesaverde during completion operations.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be ~2700 psi.

8. OTHER INFORMATION

The anticipated spud date is August 4, 2006. It is expected it will take ~7 days to drill and ~12 days to complete the well. Completion will start about one month after the spud and will include hydraulic fracturing.

PURE RESOURCES, LP
RINCON UNIT WELLS
RINCON FIELD
RIO ARriba COUNTY, NEW MEXICO

San Juan Basin
3M BOPE – Class 2 BOPE
Minimum of 3000 psi Working Pressure

